Issues of Merit

A Publication of the Office of Policy and Evaluation, U.S. Merit Systems Protection Board

September 2003

Director's Perspective

Recruitment One-Stop: A Force for Change

Is the Federal Government a single employer? Should it function as one? When I consider the challenges facing the Government today – such as attracting the highest quality new hires and addressing the governmentwide issue of workforce planning – handling recruitment and hiring through one governmentwide portal makes a lot of sense. As a collaborative effort between the Office of Personnel Management and Federal agencies, Recruitment One-Stop (ROS) deserves our support.

Imagine an agency that did an exemplary job with staffing. The agency would invest heavily in recruiting, with a total reengineering of the staffing process. It would leverage authorities such as categorical rating, pay banding and others to reflect agency culture, mission, and values. Its recruitment brochures, campus connections and public image would distinguish it as an employer of choice. On top of that, the agency would administer a central database of applicants who could be referred to any location for which they expressed availability. From area residents who were impressed by the agency's field offices to newly minted college students searching for a job anywhere, the agency would be seen as a single employer to all applicants whether or not they had a specific local site in mind originally. The result? A rising caliber of applicants, so that the agency could attract and hire the cream of the crop.

While no agency today has realized this idealized vision of staffing, some approach it. The question is, if we would like our own agencies to function this effectively, why not desire it for the whole Federal Government?

Some roadblocks do exist: a lack of a single governmentwide culture, the wide-ranging missions of diverse agencies, and assorted personnel policies

OPE Focus on the Facts

Belief:

In keeping with the intent of the *Luevano* consent decree, most Outstanding Scholar hires are African Americans and Hispanics.

Fact:

During FY 2002, white women accounted for 43% of Outstanding Scholar hires, followed by white men (31%), African Americans (13%), Hispanics (5%), and other minorities (8%).

Source: MSPB calculations of the OPM Central Personnel Data File, FY 2002.

Who's Minding the Store?

A recent Brookings Institution study reported that contractors performing Federal work outnumber Federal employees by nearly three to one.[1] Who provides day-to-day technical oversight of those contracts, makes judgments about the acceptability of contract services and products, and is the first in line to report problems?

The answer: not Federal Contracting Officers (COs), but rather Contracting Officer Representatives (CORs) or Contracting Officer Technical Representatives (COTRs) – a group of Federal employees with significant responsibilities but also a group we know little about.

While COs manage the business aspects of the contracting process, the CORs and COTRs use their functional or technical expertise to certify that the contract deliverables meet the standards of the contract in terms of quality, completeness, appropriateness, and timeliness.

Several studies have been done on COs, but we know very little about the CORs and COTRs who help guarantee the Federal Government gets what it pays for. Our

Inside this Issue

Director's Perspective

and practices reflecting varied leadership values. Can this "single employer" concept be adopted in the Federal Government? I believe so, and I believe ROS can help bring the concept to fruition. Let's look at where the initiative is now, and where I hope it will take us.

First, the vision of ROS is to make applying to work for the Federal Government more customer friendly. ROS is not an attempt to consolidate all agencies' automated staffing tools, nor is it intended to be the single tool to accomplish agency staffing. Rather, it currently is a portal to give potential applicants greater access to and information about the multiple agencies comprising this "single employer."

It's certainly needed. Many Federal employees aren't familiar with all the agencies out there, let alone the average citizen who cannot be faulted for not knowing where or how to apply. By bringing together job announcements, application tools, and more in one site, ROS makes the Federal job search less intimidating.

Secondly, ROS will accelerate the need for staffing automation in agencies. With a huge supply of electronic resumes generated and waiting, agencies will need automation to handle the volume, further enhancing the agencies' ability to give prompt feedback to applicants and to make speedy selections. This will increase applicants' confidence and encourage more of them to apply.

Hopefully, technology will also enable agencies to use the capabilities of automated staffing to develop and utilize additional assessment instruments and even place some of these as successive hurdles in the automated hiring process. Smaller agencies will find an increasing need to buy these automated systems from capable suppliers such as other agencies or private contractors. Ultimately, we may get to two or three automated HR staffing systems for applicants to apply for positions, which will benefit all agencies. Similar to the drive to reduce the number of payroll offices, the fewer the number of systems, the easier it is to have them all speak with each other.

The initial deployment of ROS did not flawlessly address even the issue of making the application process more customer friendly. Further changes are needed to improve usability and meet other challenges ahead. Nevertheless, the initiative is moving in the right direction. Government is, by design, inherently slow to change. ROS will help drive needed change faster.

Steve Nelson
Director, Policy and Evaluation

COR Study

survey of CORs (including COTRs) from numerous DoD and civilian agencies will provide information about their background and demographics, how they are managed, and their contracting experiences. Preliminary results of the survey offer some tentative yet interesting insights.

CORs are professional, highly educated and experienced. Most CORs work in professional or technical positions and 75% have a bachelor's degree or higher. Almost half have worked for the Government more than 20 years as a civilian, and approximately 60% have worked as a COR for 6 years or more.

The contracting work CORs perform is relatively complex. CORs typically work on more than one contract simulta- neously, and usually oversee multiple task orders and/or provide overall technical oversight of the contract. The contracts they typically work on are also relatively complex. Approximately 90% are multi-year contracts, almost half are for more than $1 million, and two thirds are for non-commercial services. Unfortunately, almost half of the CORs surveyed experienced problems on contracts they worked on.

COR work is not simply a collateral duty. Almost two thirds of the CORs reported they spent more than 25% of their work time on COR duties. In addition, approximately 80% reported that they were formally rated on those duties.

CORs are not always formally delegated the authority to perform their contracting duties. We are troubled by our findings related to the delegation of authority required by the Federal Acquisition Regulation. Only half of those surveyed reported that they were always formally delegated the authority to perform their COR duties, and almost one in four CORs had *never* been formally delegated the authority to perform their COR duties.

Further analyses are under- way to examine additional issues such as COR training and other factors that impact their ability to perform their COR duties. We will also assess questions such as the degree to which CORs with the most experience are assigned to the most complex contracts. Stay tuned for more results and our final report.

[1] Paul C. Light, "Fact Sheet on the New True Size of Government," Center for Public Service, Brookings Institution, September 2003.

CSRA Silver Anniversary: Does It Still Shine?

On October 13, we celebrate the 25th anniversary of the groundbreaking Civil Service Reform Act (CSRA) of 1978. After a decade of bureaucratic growth, political scandals, and inflation, the public's faith in government was at an all-time low. President Carter set out to improve the Federal Government's ability to serve the public and to put merit back in the merit system. The result was the most comprehensive civil service reform since the Pendleton Act of 1883 created the civil service.

At the core of the reform effort were the goals of streamlining and decentralizing the bureaucracy, improving Federal management, and preventing abuse. CSRA divided the responsibilities of the Civil Service Commission among the newly created Office of Personnel Management, the Merit Systems Protection Board, and the Federal Labor Relations Authority, separating personnel policy from adjudication, system oversight, and regulatory authority.

CSRA established the Senior Executive Service (SES) to create an elite governmentwide cadre of managers selected, rated, and rewarded based on performance. It sought to link pay with performance through merit pay and a streamlined performance evaluation system, provide managers more flexibility by streamlining government- and agency-wide processes, and provide a vehicle to test alternative personnel flexibilities.

To protect employees from abuse and political influence, CSRA codified the Merit System Principles and Prohibited Personnel Practices.

Many would say that the reforms were not fully realized. The SES is not the mobile, governmentwide cadre originally envisioned. The original pay for performance system for mid-level managers did not stand the test of time. Managers still believe that the personnel rules and regulations hamper their ability to manage responsively.

However, CSRA's theme of management reform has been echoed throughout subsequent reform efforts. The Government Performance and Results Act, the National Performance Review, and President Bush's Management Agenda embody many of the ideas that originated in CSRA, including pay for performance, streamlining personnel processes, and improving management systems and accountability. They have even taken the concepts a step further by advocating the measurement of organizational results and performance.

Reform is not static; it is an ongoing and iterative process. CSRA started a much-needed reform movement. Its balance between performance and merit can serve as a guidepost as we continue to improve the Federal Government's service to the public.

MSPB Appeals: A Closer Look at the Numbers

In recent months, the U.S. Merit Systems Protection Board (MSPB) appeal process has been in the news. A variety of questions have surfaced, particularly about the effect of Board decisions on agency actions. With the recent release of the *FY 2002 MSPB Annual Report*, a closer look at the numbers is in order.

Of the 6378 cases brought to the Board in FY 2002, more than half (3377, or 53%) were dismissed, normally due to lack of jurisdiction or lack of timeliness. Of the 3001 cases remaining, over half (1629, or 54%) were settled, eliminating the need for a Board ruling.

So, in the 1372 cases in which the Board issued a ruling, what were the results? Almost 75% of agency decisions were affirmed (1021 cases). In some organizations, the percentage of affirmed cases was much higher. For example, 17 Federal organizations had agency decisions affirmed at least 90% of the time, including the Department of the Army (90.8%), the General Services Administration (91.7%), and the Department of Agriculture (91.7%).

In contrast, of the 1372 adjudicated cases, the Board reversed agency decisions in 303 of them (22%), and mitigated agency decisions in 38 cases (3%).

What do the numbers tell us? First, with more cases settled than adjudicated, the Board's settlement program continues to offer agencies and appellants a way to come to mutually acceptable outcomes. Second, when adjudication occurs, the high percentage of affirmed cases indicates that for the most part, MSPB finds that agencies provide due process to their employees.

Changes Are Coming ... For *Issues of Merit!*

Our next *Issues of Merit* will showcase a new design. If you have suggestions for improvement in content, design, or any other areas, please drop us an e-mail at STUDIES@mspb.gov by October 30, with "Issues of Merit" in the subject line.
Look for the new issue sometime in December!

Tools of the Trade

Using Competently Competently

In previous editions of *Issues of Merit*, we discussed job analysis – the process of "breaking down" a job to identify roles, tasks, and entry requirements. Traditionally, those requirements have been expressed in terms of knowledge, skills, and abilities (KSAs) or standards (e.g., licensure or education). But increasingly, requirements are expressed in terms of competencies.

What are competencies?

The Office of Personnel Management defines a competency as "a measurable pattern of knowledge, skills, abilities, behaviors, and other characteristics that an individual needs in order to perform work roles or occupational functions successfully."[1] A competency generally comprises a definition (see the example below) and a set of level descriptions (benchmarks).

Influencing/Negotiating – Persuades others; develops networks and coalitions; gains cooperation from others to obtain information and accomplish goals; negotiates to find mutually acceptable solutions; builds consensus through give and take.[2]

Competencies are closely related to KSAs, but differ from them in two important ways. First, competencies are broader: they are linked to "work roles" and "occupational functions," not simply job tasks. Second, competencies emphasize action: they typically describe behaviors and outcomes, not merely knowledge and ability (i.e., the potential to perform).

How should we use competencies?

Workforce planning. Competencies can be used to identify workforce needs and gaps. For example, a regulatory agency plans to partner with state and local governments and emphasize voluntary compliance. Such plans strongly imply a need for competence in influencing/negotiating. The agency could then determine the extent of the competency requirement (e.g., which organizations, which employees, and what level of competency), survey its workforce to assess its current capability, and plan recruiting, development, and retention efforts accordingly.

Employee selection. Competencies can be used to plan assessment strategies and select employees. For example, when filling a job where influencing and negotiating are critical, an agency would do well to ask candidates about their experience in persuading others – and might do

Making the Most of Title 5: Understanding Pay Flexibilities

The demand for human capital management flexibilities is greater than ever. What types of flexibilities are currently available under traditional Title 5 civil service rules? To help our readers get a sense of the issue, we decided to highlight some of the most important flexibilities available to hire, retain and manage the Federal workforce. In this issue, we cover major pay and compensation flexibilities; in future issues, we'll feature flexibilities in areas such as hiring and workplace management.

Flexibility	Description
Recruitment Bonuses	Agencies may pay a new employee a bonus of up to 25% of basic pay to fill a hard-to-fill job (service agreement required).
Relocation Bonuses	Agencies may pay employees bonuses of up to 25% of basic pay to relocate to fill a hard-to-fill job (service agreement required).
Retention Allowances	Agencies may make bi-weekly payments of up to 25% of basic pay to individual employees and up to 10% of basic pay to a group of employees with exceptional or unique qualifications and who would likely leave Federal service otherwise.
Travel & Transportation Expenses	Agencies may pay candidates' travel & transportation expenses for pre-employment interviews or pay new employees' travel & transportation expenses for moving to their first duty location.
Advanced Payments	Agencies may advance new employees' first two paychecks to meet living and other expenses.
Referral Bonuses	Agencies may use the incentive awards authority to pay referral bonuses to employees who recruit new talent into the organization.
Quality Step Increases	Agencies may grant current employees additional step increases for outstanding performance.
Advanced Step/ Superior Qualifications	Agencies may offer candidates with superior qualifications base pay above the first step of the grade, subject to certain guidelines.

Merit & the Federal Workforce: What's Organizational Culture Got to Do With It?

NASA's organizational culture had as much to do with this accident [the loss of space shuttle Columbia] as foam did. – report from Columbia Accident Investigation Board

What is startling about this finding is that organizational culture – something that is invisible, intangible, and notoriously hard to study – is given so much weight.

But as the Columbia Board details in their report, and as managers across the public and private sector know, organizational culture can have a serious impact on mission success. Yet the Federal human capital community has generally overlooked this topic in favor of things that are easier to see and measure: policies, procedures, metrics.

In this light, we think it makes sense to ask what, if anything, organizational culture has to do with merit. One of the nine merit principles outlined by the Civil Service Reform Act is the effective and efficient use of the Federal workforce. Organizational culture certainly qualifies as a factor that could aid or impede such use.

Our work provides anecdotal evidence for the importance of culture. At MSPB, we often hear from Federal employees about "broken" policies or procedures. However, the problems described are frequently problems of counter-productive incentives and behaviors, not really problems of official policy. Employees describe an organization where rules are circumvented or flouted, where managers don't manage, where communication is more theory than practice, and other types of organizational dysfunction. Pervasive, recurring problems of this sort may be more accurately diagnosed as signs of an unhealthy organizational culture rather than as failures of official policy.

What's the value of calling these problems by the name of "organizational culture"? This diagnosis is useful in two ways:

First, a diagnosis of an "unhealthy" culture helps us realize that the symptoms – such as unfair treatment of employees, resistance to sharing information, or poor organizational performance – cannot be blamed solely on official rules or policies, and will not be fixed by creating new ones. This is a critical point, for new policies or systems – regulations, reward structures, enforcement mechanisms – are often the first tools managers reach for when trying to fix the end result of organizational dysfunction. Spending resources on solutions that do not address root causes is in no one's best interest.

Second, the diagnosis helps us identify possible solutions. It encourages us to define organizational culture and understand how it's created and maintained, so we have better insight into how to change it. This task goes beyond one short article, but work has already been done in this field and more is needed, particularly in the area of culture creation, maintenance, and change in the Federal Government.[1]

It's tempting to tackle organizational problems through immediate and visible steps that can be documented and measured, such as changing policy or issuing new ones. Certainly, that is initially more straightforward and satisfying than confronting something as nebulous as "culture." But let's recall the lesson of Columbia: to understand and prevent mission failure, the things we can see and touch and easily measure are not always the most important.

[1] While some work has been done on the topic – most notably by GAO in their "Results-Oriented Culture" series – it still represents a minority of Federal human resources management research.

Competencies *(continued from page 4)*

even better to select only from among candidates with a track record of success at persuading others.

Employee development. Managers and employees can identify possible training needs by looking for "gaps" between current performance and the desired level of competency. Competency benchmarks that outline a target level of performance provide a better basis for evaluating training than course evaluations.

Performance feedback and evaluation. Well-developed competencies describe not only what an employee needs to know to succeed, but also what an employee must do. Used in conjunction with organization and individual goals, work plans, and performance measures, competencies can provide a "road map" for performance planning and feedback. A recent General Accounting Office (GAO) report discusses how some public sector organizations, including the Internal Revenue Service, are using competencies for performance evaluation.[3]

Competencies are versatile. This is good not only for alignment – keeping HR activities focused and mutually consistent – but also for efficiency. Well-developed competencies can save managers a great deal of work by eliminating the need to "start from scratch" when identifying selection criteria, assessing training needs, coaching employees, and evaluating performance.

[1] OPM, *Delegated Examining Operations Handbook*, 2-B-1, 2003.

[2] Ibid., F-12.

[3] See GAO, "Results-Oriented Cultures: Creating a Clear Linkage between Individual Performance and Organizational Success," GAO-03-488, March 2003.

U. S. Merit Systems Protection Board
1615 M Street, NW
Washington, DC 20036-3209

September 2003

Issues of Merit
A Publication of the Office of Policy and Evaluation, U.S. Merit Systems Protection Board

Selected Publications from the Office of Policy and Evaluation*
- Help Wanted: A Review of Federal Vacancy Announcements
- The Federal Selection Interview: Unrealized Potential
- Making the Public Service Work: Recommendations for Change
- Assessing Federal Job Seekers in a Delegated Examining Environment
- The Federal Merit Promotion Program: Process vs. Outcome
- The U.S. Office of Personnel Management in Retrospect: Achievements and Challenges After Two Decades
- Growing Leaders: The Presidential Management Intern Program
- Competing for Federal Jobs: Job Search Experiences of New Hires
- Restoring Merit to Federal Hiring: Why Two Special Hiring Programs Should Be Ended
- The Role of Delegated Examining Units: Hiring New Employees in a Decentralized Civil Service
- Federal Supervisors and Poor Performers
- Civil Service Evaluation: the Evolving Role of the U.S. Office of Personnel Management
- Federal Supervisors and Strategic Human Resources Management
- Adherence to the Merit Principles in the Workplace: Federal Employees' Views
- Achieving a Representative Workforce: Addressing the Barriers to Hispanic Participation
- Fair and Equitable Treatment: A Progress Report on Minority Employment in the Federal Government
- The Rule of Three in Federal Hiring: Boon or Bane?
- Sexual Harassment in the Federal Workplace: Trends, Progress, Continuing Challenges
- Leadership for Change: Human Resource Development in the Federal Government
- Whistleblowing in the Federal Government: An Update
- A Question of Equity: Women and the Glass Ceiling in the Federal Government

Selected Current Projects
- Governmentwide Merit Principles Survey 2000
- Competence in overseeing federal contracts
- Federal government recruiting practices
- Automation in federal hiring

For a copy of any Office of Policy and Evaluation publication, contact:

U.S. Merit Systems Protection Board
Office of Policy and Evaluation
1615 M Street, NW
Washington, DC 20036

Phone: (202) 653-6772 extension 1350
or 1-800-209-8920
V/TDD: (202) 653-8896 (TTY users, please use
the Federal Relay Service at 800-877-8339 to
contact this office.)

E-mail: STUDIES@mspb.gov
Fax: (202) 653-7211

* Most of these reports can be downloaded from the STUDIES page of the MSPB website: www.mspb.gov

"Issues of Merit" provides findings and recommendations drawn from MSPB research and other sources on topics and issues relevant to the effective operation of the federal merit systems and the significant actions of the Office of Personnel Management.